Consolidated Financial Statements

Gordon E. and Betty I. Moore Foundation
Years Ended December 31, 2009 and 2008
With Report of Independent Auditors

Ernst & Young LLP

Ernst & Young

Gordon E. and Betty I. Moore Foundation

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Years Ended December 31, 2009 and 2008

Contents

Ernst & Young LLP
560 Mission Street
Suite 1600
San Francisco, California 94105
Tel: +1 415 894 8000
www.ey.com

Report of Independent Auditors

The Board of Trustees
Gordon E. and Betty I. Moore Foundation and Subsidiary

We have audited the accompanying consolidated statements of financial position of Gordon E. and Betty I. Moore Foundation and subsidiary (the Foundation) as of December 31, 2009 and 2008, and the related consolidated statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Foundation's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Gordon E. and Betty I. Moore Foundation and subsidiary at December 31, 2009 and 2008, and the consolidated changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

June 28, 2010

Gordon E. and Betty I. Moore Foundation

Consolidated Statements of Financial Position

	December 31	
	2009	**2008**
Assets		
Cash and cash equivalents	**$ 110,729,059**	$ 161,435,635
Dividends and interest receivable	**2,970,767**	5,239,866
Investments, at fair value	**4,942,293,396**	4,190,103,657
Investment redemption receivables	**91,802,124**	131,415,703
Program-related investment	**219,289**	700,654
Property and equipment, net of accumulated depreciation	**52,012,324**	18,990,995
Prepaid federal excise tax	**–**	1,221,925
Prepaid expenses and other assets	**549,912**	597,561
Total assets	**$ 5,200,576,871**	$ 4,509,705,996
Liabilities and net assets		
Liabilities:		
Accounts payable and accrued liabilities	**$ 9,051,983**	$ 11,054,278
Grants payable	**87,045,702**	112,347,093
Federal excise tax payable currently	**4,124,607**	–
Deferred federal excise tax	**4,335,072**	–
Total liabilities	**104,557,364**	123,401,371
Net assets, unrestricted	**5,096,019,507**	4,386,304,625
Total liabilities and net assets	**$ 5,200,576,871**	$ 4,509,705,996

See accompanying notes.

Gordon E. and Betty I. Moore Foundation

Consolidated Statements of Activities and Changes in Net Assets

	Year Ended December 31	
	2009	**2008**
Investment income:		
Dividends	**$ 16,670,212**	$ 19,707,297
Interest	**8,172,344**	35,631,934
Partnership distributions	**17,812,875**	59,794,438
Realized gains on sale of investments	**108,137,253**	49,011,117
Net unrealized gains and (losses) on investments	**759,937,516**	(1,760,339,606)
Total investment income (losses)	**910,730,200**	(1,596,194,820)
Investment expenses	**14,301,969**	13,402,848
Taxes	**17,025,447**	(7,390,031)
Net investment income (losses)	**879,402,784**	(1,602,207,637)
Expenses:		
Grants	**141,973,954**	234,406,519
Supporting expenses	**27,713,948**	28,498,363
Total expenses	**169,687,902**	262,904,882
Increase (decrease) in net assets	**709,714,882**	(1,865,112,519)
Unrestricted net assets, beginning of year	**4,386,304,625**	6,251,417,144
Unrestricted net assets, end of year	**$ 5,096,019,507**	$ 4,386,304,625

See accompanying notes.

Gordon E. and Betty I. Moore Foundation

Consolidated Statements of Cash Flows

	Year Ended December 31	
	2009	**2008**
Cash flows from operating activities		
Interest, dividends and partnership distributions received	**$ 44,924,530**	$ 118,823,127
Taxes paid	**(7,343,843)**	(3,809,781)
Cash paid to investment managers, suppliers and employees	**(40,378,553)**	(37,629,963)
Grants paid	**(167,275,345)**	(261,740,279)
Repayment of program-related investment	**481,365**	–
Net cash used in operating activities	**(169,591,846)**	(184,356,896)
Cash flows from investing activities		
Purchases of investments	**(1,000,634,113)**	(1,607,849,454)
Proceeds from sale of investments	**1,156,132,722**	1,797,095,010
Purchases of property and equipment	**(36,613,339)**	(15,445,676)
Net cash provided by investing activities	**118,885,270**	173,799,880
Net decrease in cash and cash equivalents	**(50,706,576)**	(10,557,016)
Cash and cash equivalents, beginning of year	**161,435,635**	171,992,651
Cash and cash equivalents, end of year	**$ 110,729,059**	$ 161,435,635
Increase (decrease) in net assets	**$ 709,714,882**	$ (1,865,112,519)
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Depreciation and amortization	**3,592,010**	2,271,588
Deferred federal excise tax	**4,335,072**	(9,562,576)
Net realized and unrealized (gain) loss on investments	**(868,074,769)**	1,711,328,489
Changes in operating assets and liabilities:		
Dividends and interest receivable	**2,269,099**	3,689,458
Program-related investment	**481,365**	(700,654)
Prepaid expenses and other assets	**47,649**	(177,032)
Accounts payable and accrued liabilities	**(2,002,295)**	2,176,692
Grants payable	**(25,301,391)**	(26,633,106)
Prepaid federal excise tax and federal excise tax payable currently	**5,346,532**	(1,637,236)
Net cash used in operating activities	**$ (169,591,846)**	$ (184,356,896)
Supplemental data for non-cash activities		
Investment redemption receivable	**$ 91,802,124**	$ 131,415,703

See accompanying notes.

1. The Organization

Gordon E. and Betty I. Moore Foundation (the Foundation) is a private foundation established by Gordon and Betty Moore in September 2000. In keeping with the Moore's philanthropic interests, the Foundation's grantmaking activities are concentrated within initiatives in the three areas of science, environmental conservation, and the San Francisco Bay Area. More detailed information regarding the Foundation's charitable activities can be obtained from the Foundation's Web site at www.moore.org.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and money market funds maintained at major commercial banks and are held for operating purposes. The Foundation considers all highly liquid instruments with maturities of three months or less at the time of purchase to be cash equivalents.

Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and bonds. The Foundation maintains its cash and cash equivalents with high quality financial institutions and such amounts may exceed Federal Deposit Insurance Corporation limits. The Foundation's investments in corporate and government bonds are exposed to issuer credit risk until these bonds are sold or mature.

Investments

Investments in marketable securities are carried at fair value. Stocks and bonds that are listed on national securities exchanges, quoted on NASDAQ, or on the over-the-counter market are valued at the last reported sale price, or in the absence of a recorded sale, at the most recent bid price at December 31, 2009. Futures, forwards, and options that are traded on exchanges are valued at the last reported sale price or, if they are traded over-the-counter, at the most recent bid price.

2. Summary of Significant Accounting Policies (continued)

Commingled funds are valued at amounts reported by the investment manager, which are based on the last reported sale price of the securities held by such funds.

Since there is no readily available market for investments in limited partnerships and limited liability companies (LLC's), such investments are stated at fair value as estimated in an unquoted market. These investments include securities of companies that may not be immediately liquid, such as private debt and equities, or real estate. Accordingly, their values are based upon guidelines established by their investment managers. The December 31 valuations of these investments are based upon year-end values provided by their investment managers and consideration of other factors related to the Foundation's interests in these investments. The Foundation obtains and considers the audited financial statements performed by nationally recognized accounting firms of such investments when evaluating the overall reasonableness of carrying value. The Foundation believes this method provides a reasonable estimate of fair value as a starting point. However, the recorded value may differ from market value had a readily available market existed for such investments, and those differences could be material.

Investment transactions are recorded on the trade date. Gains or losses that result from market fluctuations are recognized in the period such fluctuations occur. Dividend and interest income are accrued when earned. Gains from private equity funds that are received in cash or securities are reflected in investment income as partnership distributions.

Assets and liabilities denominated in foreign currencies at year end are translated in U.S. dollars based upon exchange rates as of December 31 with any resulting adjustment included in net unrealized gains and losses in investments. Transactions in foreign currencies during the year are translated into U.S. dollars at the exchange rate prevailing on the transaction date as realized gains on sale of investments.

Property and Equipment

Property and equipment is stated at cost and depreciated using the straight-line method over estimated useful lives of three to 39 years. Property and leasehold improvements for the Foundation's San Francisco and Palo Alto buildings are depreciated using the straight-line method over the remaining lease term or useful life of approximately two years to 31 years, respectively.

2. Summary of Significant Accounting Policies (continued)

Grants

Grants are recognized as expense when the unconditional promise to give is approved. Conditional promises to give are recognized as grant expense in the period in which the recipient meets the terms of the condition. The Foundation ordinarily makes grants to organizations that qualify as public charities under the Internal Revenue Code. When distributions are made to nonqualifying organizations, the Foundation assumes the responsibility for ultimate charitable use.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, interest and dividends receivable, investment redemption receivables, accounts payable and accrued liabilities approximate fair value because of the short maturity of these items. The carrying value of grants payable approximates fair value since they are carried at their expected payment amounts discounted to present value. The program-related investment is carried at cost plus accrued interest, which approximates fair market value.

Principles of Consolidation

The Foundation's consolidated financial statements include the accounts of GBMF International, Ltd., a wholly owned investment holding company. All inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates

Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses and disclosure of commitments. Examples include estimates of investment fair values, and assumptions over the potential outcome of future tax consequences of events that have been recognized in the financial statements or tax returns. Actual results and outcomes may differ from management's estimates and assumptions, and such differences could be material.

2. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncement

On January 21, 2010, the Financial Accounting Standards Board (FASB) created an amendment to ASC 820 *Fair Value Measurements and Disclosures*, ASU 2010-06. The amendment requires additional disclosures regarding recurring and nonrecurring fair value measurements and was not effective for the annual reporting period ended December 31, 2009. Specifically, the amendment requires reporting entities to disclose i) inputs and valuation techniques, ii) an additional disclosure for significant transfers between levels 1 and 2, and iii) the Level 3 rollforward on a gross basis. Finally, the amendment provides clarification on disaggregation of assets and liabilities. At this time the Foundation is evaluating the implications of the proposal to ASC 820 and the impact to the financial statements.

During the year ended December 31, 2009, the Foundation adopted the new Accounting Standards Codification (ASC) as issued by the FASB. The ASC has become the source of authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. The ASC is not intended to change or alter existing GAAP. The adoption of the ASC did not have an impact on the Foundation's consolidated financial statements.

3. Investments

The investment goal of the Foundation is to maintain or grow its spending power in real (inflation adjusted) terms with risk at a level appropriate to the Foundation's programmatic spending and objectives. The Foundation diversifies its investments among various financial instruments and asset categories, and uses multiple investment strategies. The financial assets of the Foundation are managed by a select group of external investment management firms and held in custody by a major commercial bank, except for assets invested with partnerships, LLCs and commingled funds, which have separate arrangements appropriate to their legal structure.

3. Investments (continued)

The Foundation's investment portfolio consists of the following:

	December 31			
	2009		2008	
	Cost	**Fair Value**	**Cost**	**Fair Value**
Public equity investments with managers	**$ 1,487,819,760**	**$ 1,837,398,097**	$ 1,631,589,703	$ 1,470,203,929
Fixed income investments with managers	**543,802,054**	**545,900,260**	489,569,269	536,701,937
Hedge and private equity funds	**2,162,334,257**	**2,431,024,220**	2,130,374,350	2,104,863,346
Cash pending investment	**20,000,000**	**20,000,000**	–	–
Cash with investment managers	**108,078,076**	**107,970,819**	78,248,602	78,334,445
Total	**$ 4,322,034,147**	**$ 4,942,293,396**	$ 4,329,781,924	$ 4,190,103,657

Cash pending investment represents funds committed to investments with fund closings in January of the following year. As of December 31, 2009 and 2008, the Foundation is committed to make additional investments of approximately $773 million and $912 million, respectively, to hedge and private equity funds in future years.

Individual investment holdings that represent greater than 5% of the total fair value of investments consist of the following:

	December 31			
	2009		2008	
	Cost	**Fair Value**	**Cost**	**Fair Value**
Adage Capital Partners, L.P.	**$ 174,308,693**	**$ 250,224,520**	$ –	$ –
State Street U.S. Treasury				
1–3 Year Index Commingled Fund	**545,146,377**	**547,316,136**	–	–
3–10 Year Index Commingled Fund	**–**	**–**	233,721,669	256,854,134

Some investment managers retained by the Foundation have been authorized to use financial derivative instruments in a manner set forth by the Foundation's written investment policy and specific manager guidelines. Accordingly, the investments of the Foundation include financial instruments involving contractual commitments for future settlements, such as futures and options. Futures and options trading are confined exclusively to recognized futures and options exchanges. Accordingly, the exchange clearinghouse acts as a counterparty to the trade, somewhat reducing the counterparty credit risk. Investment managers, acting on behalf of the Foundation, both purchase and write options. To minimize the risk of loss associated with options trading, the Foundation requires investment managers to employ strategies consistent with prudent investment management.

3. Investments (continued)

The Foundation records its financial derivative instruments on a fair value basis with changes in value reflected in the accompanying consolidated statements of activities and changes in net assets. The fair values of such positions represent net unrealized gains and losses, and consequently, the net receivables and payables at December 31, 2009 and 2008, and are included within investments in the consolidated statements of financial position. Additionally, the Foundation has investments in some commingled funds, limited partnerships and LLC's which invest in a variety of derivative contracts. As a result of active trading and a changing investment environment, the use, type, and amount of derivative instruments held by these investments may vary substantially from period to period.

The net fair value of the Foundation's derivative holdings at December 31, 2009 was $0.4 million, in which $1 million were in derivative assets and $0.6 million were in derivative liabilities, which are reflected within the consolidated statements of financial position under investments, at fair value. The primary types of derivative risk exposures are foreign exchange, commodity, equity and other contracts. The total notional amounts related to these derivatives were $66.5 million, which are not material to the Foundation's overall investments at December 31, 2009.

In the opinion of the Foundation's management, the use of financial derivative instruments in its investment program is appropriate and customary for the investment strategies employed. Using those instruments reduces certain investment risks and may add value to the portfolio. The instruments themselves, however, do involve investment and counterparty risk in amounts greater than what are reflected in the Foundation's consolidated financial statements. Management expects that losses from such investments, if any, would not materially affect the consolidated financial position of the Foundation. However, there is no assurance that this will be the case.

At December 31, 2009 and 2008, approximately 74% and 72%, respectively, of the Foundation's investment assets were invested in limited partnerships, commingled funds and LLC's. Such investments generally have limited liquidity due to the structure, term, and investment strategy of the funds.

4. Investment Valuation

ASC 820 establishes a fair value hierarchal disclosure framework which prioritizes and ranks the level of market price observable inputs used in measuring investments at fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs based on quoted market prices for identical assets or liabilities in an active market. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Observable market based inputs or unobservable inputs are corroborated by market data. Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, and fair value is determined through the use of models or other valuation methodologies. Additionally, for investments in funds where there is an ability to redeem such investments at the net asset value per share (or its equivalent) at the measurement date or in the near term, the fair value of the investment shall be categorized as a Level 2.

Level 3 – Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. These inputs into the determination of fair value require significant management judgment or estimation. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed. Investments that are included in this category generally include private fund investment structures and limited partnership interests, where there is an inability to redeem such investments at the net asset value per share (or its equivalent) at the measurement date or in the near term.

4. Investment Valuation (continued)

The following table presents the investments carried on the consolidated statements of financial position by level within the valuation hierarchy as of December 31, 2009 and 2008, respectively:

	Level 1	Level 2	Level 3	Total
Public equity investments with managers	**$ 396,466,611**	**$ 722,452,180**	**$ 718,479,306**	**$ 1,837,398,097**
Fixed income investments with managers	**147,050**	**545,753,210**	**–**	**545,900,260**
Hedge and private equity funds	**–**	**1,189,980,094**	**1,241,044,126**	**2,431,024,220**
Cash pending investment	**20,000,000**	**–**	**–**	**20,000,000**
Cash with investment managers	**107,970,819**	**–**	**–**	**107,970,819**
Total as of December 31, 2009	**$ 524,584,480**	**$2,458,185,484**	**$ 1,959,523,432**	**$ 4,942,293,396**

	Level 1	Level 2	Level 3	Total
Public equity investments with managers	$ 338,724,655	$ –	$ 1,131,479,274	$ 1,470,203,929
Fixed income investments with managers	–	141,940	536,559,997	536,701,937
Hedge and private equity funds	1,277,027	–	2,103,586,319	2,104,863,346
Cash with investment managers	78,334,445	–	–	78,334,445
Total as of December 31, 2008	$ 418,336,127	$ 141,940	$ 3,771,625,590	$ 4,190,103,657

The following table includes a rollforward of the amounts for the years ended December 31, 2009 and 2008 for investments classified within Level 3:

	Investments in Funds
Balance at December 31, 2007	$ 5,260,683,051
Purchases (sales), net	(86,005,599)
Realized and unrealized gain (loss), net	(1,403,102,836)
Transfers in and/or out of Level 3	50,974
Balance at December 31, 2008	3,771,625,590
Purchases (sales), net	(618,744,316)
Realized and unrealized gain (loss), net	370,390,873
Impact due to change in accounting standard	(1,563,748,715)
Balance at December 31, 2009	$ 1,959,523,432

4. Investment Valuation (continued)

	2009	2008
Unrealized gain (loss) included in earnings for Level 3 investments held at December 31, 2009 and 2008	$ 309,498,508	$ (1,515,565,425)

The Foundation invests in alternative investments, which are structured as partnerships, limited liability companies, and offshore investment funds. The following table summarizes the investment strategy types of the alternative investments as of December 31, 2009:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Public equity investments with managers (a)	$ 718,479,306	$ 2,390,000	Quarterly-Annually	14-90 days
Hedge funds (b)	1,463,286,944	3,220,486	Quarterly, Semi-Annually, Annually	30-180 days
Private equity funds and Real Assets (c)	967,737,276	767,099,036	Quarterly, Semi-Annually for Real Assets and none for Private Equity	90 days
Total	$ 3,149,503,526	$ 772,709,522		

a) This category includes public equity funds that are structured as limited partnership or limited liability companies. These funds invest primarily in public equity investments in the U.S., developed, and emerging markets. Management of the public equity funds has the ability to invest in growth and/or value styles and across capitalizations. Four managers in this investment category maintain an ability to make private investments. An investment representing 0.6% of this category cannot be redeemed due to a lock-up period that remains in effect for the next 17 months. Additionally, an investment representing 1% of this category cannot be redeemed due to liquidation with the timing of final liquidation unknown at this time.

4. Investment Valuation (continued)

b) This category includes hedge funds that invest using different strategies, such as long/short equity, credit focused, multi-strategy event, arbitrage and other means. The nature of investments for approximately 2.3% of the value of the investments in this category provides distributions that are received through the liquidation of the underlying assets of the fund; it is estimated that the underlying assets of the fund would be liquidated over 3 to 8 years. Approximately 1.5% of the value of the investments in this category cannot be redeemed due to liquidation with the timing of final liquidation unknown at this time.

c) This category includes private funds that invest in U.S. oil and gas assets, global commercial real estate, and funds that invest globally across industries in public and private companies. Approximately 90% of the value of the investments in this category can never be redeemed with the funds. Instead, due to the nature of these investments, distributions are received through the liquidation of the underlying assets of the funds. It is estimated that the underlying assets will be liquidated over the next 3 to 10 years.

5. Investment Redemption Receivables

Investment redemption receivables represent deemed withdrawals from investment managers for which the cash has not yet been received.

6. Program-Related Investment

In July 2008, the Foundation made an interest free $700,654 program related investment to Middle Bay Sustainable Aquaculture Institute as bridge financing for the construction phase of their close containment aquaculture trial, of which $481,365 was repaid in January 2009.

7. Property and Equipment

Property and equipment consisted of the following:

	December 31	
	2009	**2008**
Buildings	**$ 33,803,007**	$ –
Property and leasehold improvements	**22,748,589**	21,650,586
Furniture, fixtures and equipment	**7,108,427**	5,396,098
	63,660,023	27,046,684
Less accumulated depreciation and amortization	**11,647,699**	8,055,689
Property and equipment, net	**$ 52,012,324**	$ 18,990,995

8. Short Term Borrowings

In December 2006, the Foundation obtained a $100 million uncommitted line of credit (the Line) from a major commercial bank. The Line was increased to $150 million in August 2008 with no change to rates. The Line is free of fees, unsecured, and bears interest at rates selected by the Foundation based on Prime, LIBOR, or Bank Offered, all as defined. The Line expires on August 1, 2010, but is renewable annually. The Line also contains covenants over financial reporting, liquidity, and other standard and customary corporate governance matters. There was no interest expense on borrowings under the Line for the years ended December 31, 2009 and 2008. There were no amounts outstanding under the Line at December 31, 2009 and 2008.

9. Taxes and Payout Requirement

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to Federal income tax. However, because the Foundation is classified as a private foundation, it is subject to a federal excise tax of 1% or 2% on net investment income (its principal source of revenue). For the years ended December 31, 2009 and 2008, the Foundation qualified for the 2% tax rate and 1% tax rate, respectively, based on the distribution requirements of Section 4940(e) of the Internal Revenue Code. The Foundation also provides for deferred federal excise tax on unrealized gains on investments at a rate of 2%, which is an estimate of the effective rate expected to be paid. In addition, the Foundation's investments in some limited partnerships give rise to federal and state unrelated business income.

9. Taxes and Payout Requirement (continued)

The components of tax expense are as follows:

	Years Ended December 31	
	2009	**2008**
Current federal excise tax	**$ 12,546,531**	$ 1,612,764
Deferred federal excise tax	**4,335,072**	(9,562,576)
Unrelated business income tax	**143,844**	559,781
	$ 17,025,447	$ (7,390,031)

The Internal Revenue Code also requires private foundations to annually disburse approximately five percent of the market value of investment assets, less the federal excise tax. This payout requirement may be satisfied by payments for grants, program-related investments, direct conduct of charitable activities and certain administrative expenses. The Foundation had qualifying distributions of $221 million and $297 million in fiscal 2009 and 2008, respectively.

The Foundation met the payout requirements after application of historical excess distribution carryforwards of approximately $15 million in 2009 and exceeded its payout requirement by $37 million in 2008. At December 31, 2009, the Foundation's remaining excess distribution carryforwards totaled approximately $44 million. Such 2009 approximate amounts are pending finalization of the Foundation's annual tax return on Form 990-PF, with the differences, if any, not expected to be material.

ASC 740 *Income Taxes* prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. These provisions were adopted by the Foundation effective January 1, 2009.

The Foundation believes it has appropriate support for the excise tax and unrelated business income tax positions taken, as well as foreign investment tax positions, and, as such, does not have any uncertain tax positions that result in a material impact on the Foundation's consolidated statements of financial position or consolidated statements of activities and changes in net assets.

10. Related Parties

Certain trustees of the Foundation are also trustees, directors or officers of other Section 501(c)(3) organizations to which the Foundation has awarded grants and may award grants in the future. In these circumstances, the Foundation awards grants pursuant to the Foundation's conflict of interest policy.

11. Retirement Plan

The Foundation sponsors a defined contribution plan under Internal Revenue Code Section 401(k). The plan covers all employees who meet eligibility requirements. Contributions to the 401(k) plan are made by the Foundation semimonthly and vest immediately. Total expenses related to such plan for 2009 and 2008 were approximately $1.2 million and $1 million, respectively.

12. Commitments

In November 2007, the Foundation approved a commitment of up to $200 million over a period of 10 years to support further development and construction of the Thirty Meter Telescope (TMT) project. Funding under this commitment will be allocated equally between the California Institute of Technology and the University of California, who are working in partnership on the TMT project. The continuation of this commitment beyond 2010 is conditioned on the California Institute of Technology and the University of California each securing a minimum of $50 million in matching funds. As of December 31, 2009, $30 million in grants had been awarded under this commitment.

The Foundation is also committed to make payments on multi-year grants. Future payments on such awarded but unpaid grants are as follows:

	Unconditional	**Conditional**
Year ending December 31:		
2010	$ 22,283,003	$ 98,924,245
2011	18,639,756	47,893,822
2012	15,055,166	13,660,902
2013	12,521,010	10,275,762
2014 and thereafter	23,696,075	–
	92,195,010	$ 170,754,731
Less: Discount to present value	5,149,308	
	$ 87,045,702	

12. Commitments (continued)

Unconditional promises to give are discounted to a net present value using risk-free interest rates ranging from 1.14% to 2.69% and were recognized as grant expense in the period in which they were approved. Conditional promises to give will be recognized as grant expense in the period in which the recipient meets the terms of the condition.

The Foundation also has operating leases for its San Francisco and Palo Alto offices, other facilities, and certain furniture and equipment. Rent expense for the years ended December 31, 2009 and 2008 were $1,795,000 and $5,137,000, respectively.

Future minimum lease payments under operating leases at December 31, 2009 are as follows:

Year ending December 31:	
2010	$ 1,499,000
2011	723,000
	$ 2,222,000

13. Indemnifications

The Foundation often enters into contracts with consultants whereby the Foundation agrees to indemnify such consultants from liabilities incurred in the course of performing their contracted work, excluding any liabilities incurred by the consultant's own negligence or willful misconduct. The Foundation's maximum exposure under these agreements is unknown; however, the Foundation has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

14. Subsequent Events

The Foundation has evaluated subsequent events through June 28, 2010, which represents the date financial statements are available to be issued.

Other Financial Information

Report of Independent Auditors on Other Financial Information

The Board of Trustees
Gordon E. and Betty I. Moore Foundation and Subsidiary

Our report on the audit of basic consolidated financial statements of Gordon E. and Betty I. Moore Foundation and subsidiary as of December 31, 2009 and 2008 and for the years then ended appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying other financial information on pages 20 to 22 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Ernst + Young LLP

June 28, 2010

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed

December 31, 2009

Grantees	Remaining Commitment
Alameda County Medical Center	$ 152,000
Alaska Conservation Foundation	166,000
Alaska Wilderness League	150,000
Alianca da Terra	931,396
Amazon Conservation Association	1,360,963
Amazon Conservation Team	777,692
American Association of Colleges of Nursing	50,000
American Bird Conservancy	560,246
Bank Information Center	700,847
Broad Institute	580,320
California Council on Science and Technology	2,000,000
California Institute for Nursing & Health Care	200,000
California Pacific Medical Center	21,750
Canadian Parks and Wilderness Society, British Columbia Chapter	16,040
CARE	61,082
Carnegie Institution of Washington	1,397,678
Carnegie Mellon University, Office of the Vice President for Research	624,660
Catholic Healthcare West	300,000
Catholic Healthcare West, St. Mary's Medical Center	63,389
Center for Quality Systems Improvement	226,000
Chabot Space & Science Center	31,862
Chinese Hospital	70,830
Conservation Fund	787,038
Conservation International	61,593,822
Daughters of Charity Health System	744,000
David Suzuki Foundation	26,733
Duke University, Nicholas School of the Environment and Earth Sciences	50,000
Ecotrust	370,197
Ecotrust Canada	171,791
Environmental Defense Fund	323,629
Exploratorium	134,670
Fedora Commons	1,562,409
Field Museum	927,210
Fondo de las Americas	502,000
Forest Ethics	173,880
Forest Trends	109,252
Fundação Bioma	113,758
Fundação de Apoio e Desenvolvimento da Universidade Federal de Mato Grosso	74,957
Fundação Djalma Batista	640,421
Fundacao Vitoria Amazonica	384,406
Fundación Amigos de la Naturaleza	1,209,004
Fundación Natura	160,099
Fundación para la Sobrevivencia del Pueblo Cofán	71,500
Fundación Peruana para la Conservación de la Naturaleza	1,098,221
Fundep – Fundação de Desenvolvimento da Pesquisa	635,169

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed (continued)

December 31, 2009

Grantees	Remaining Commitment
Fundo Brasileiro para a Biodiversidade	$ 19,753
Green Belt Movement International	232,406
Gulf of Maine Research Institute	288,783
H. John Heinz III Center for Science Economics and the Environment	105,684
Harvard University, Department of Organismic and Evolutionary Biology	1,170,594
Healthcare Foundation of Northern and Central California	1,985,000
Instituto de Hidrologia, Meteorologia y Estudios Ambientales	1,280,789
Instituto de Pesquisa Ambiental da Amazônia	439,710
Instituto del Bien Comun	628,575
Instituto Internacional de Educação do Brasil	1,792,266
Instituto Socioambiental	100,845
Iwokrama International Centre for Rain Forest Conservation and Development	1,569,881
Kaiser Foundation Hospitals	2,596,600
Land Trust of Santa Cruz County	164,342
Massachusetts Institute of Technology	4,741,219
Missouri Botanical Garden	460,000
National Audubon Society, Alaska State Office	100,000
National Forest Foundation	198,915
National Wildlife Federation	210,867
Northern Illinois University, Department of Geology and Environmental Geosciences	500,000
Northwest Institute for Bioregional Research Society	60,072
Oregon State University, College of Oceanic and Atmospheric Sciences	2,048,660
Oregon State University, Department of Microbiology	1,637,798
Pacific Salmon Foundation	470,975
Resources Legacy Fund	1,000,000
Resources Legacy Fund Foundation	3,254,631
Rochester Institute of Technology, Rochester Imaging Detector Laboratory	1,708,968
Round River Conservation Studies	1,150,000
Rutgers University, Department of Geography	155,504
San Francisco General Hospital Foundation	2,535,764
San Francisco Parks Trust	108,303
San Francisco State University, Office of Research and Sponsored Programs	65,486
San Jose State University Foundation	676,675
Science & Collaboration for Connected Wildlands	52,676
Secretaria de Estado do Meio Ambiente e Desenvolvimento Sustentável	336,203
Smithsonian Institution, Astrophysical Observatory	754,287
Sonoma Land Trust	1,042,000
Southeast Alaska Conservation Council	240,000
Stanford University, Center for Primary Care and Outcomes Research	125,000
Stanford University, School of Medicine	527,000
Stanford University, Woods Institute for the Environment	377,148
Sutter Health Systems	1,180,000
T. Buck Suzuki Environmental Foundation	129,656

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed (continued)

December 31, 2009

Grantees	Remaining Commitment
The Nature Conservancy	$ 5,300,000
The Nature Conservancy - Alaska	719,024
Tides Canada Foundation	449,218
Tides Center, Rivers Without Borders	175,840
Trout Unlimited	430,147
University of California, Berkeley Office of the Vice Chancellor for Research	1,979,159
University of California, Davis Genome Center	586,168
University of California, Los Angeles Department of Atmospheric and Oceanic Sciences	359,322
University of California, San Diego California Institute for Telecommunications and Information Technology	5,142,849
University of California, San Francisco Center for the Health Professions	5,325,758
University of California, San Francisco Medical Center	125,000
University of California, Santa Cruz Department of Ocean Sciences, Institute of Marine Science	2,975,077
University of California, Santa Cruz Department of Ocean Sciences, School of Earth & Marine Science	1,904,221
University of Chicago, Department of Astronomy & Astrophysics	423,055
University of Florida, Division of Sponsored Research	593,090
University of Georgia Foundation	1,642,992
University of Hawaii Foundation	1,997,425
University of Leeds	1,435,555
University of Massachusetts Boston, John W. McCormack Graduate School of Policy Studies	2,725,036
University of Montana, Flathead Lake Biological Station	(11,114)
University of Washington, Office of the Provost	551,358
University of Washington, School of Aquatic and Fishery Sciences	1,327,559
University of Washington, School of Oceanography	2,162,620
Valley Medical Center Foundation	431,795
ValleyCare Health System	124,380
Washington Hospital Healthcare Foundation	100,000
Westcoast Aquatic Management Association	404,359
Wild Salmon Center	2,804,291
Wildlife Conservation Society	782,016
Woods Hole Oceanographic Institution	611,205
Woods Hole Research Center	2,689,027
World Media Foundation	285,154
World Wildlife Fund	3,673,189
	$ 170,754,731